

(1943) Department.

175 SERIES. Confidential

G.O. No. 448

Dated 30 3 43

[Despatch Abstract.]

Was D.O.I. Rules - Kollegal Bill
Elaborates D.O. Kollegal - Acquisition of
Properties requisition - Payment of
Compensation - Report called for.

no 216094

Strictly confidential.

Department of Industries
and Commerce,
Madras, 22nd March 1943.

My dear Sivasankar, 5470

War - Defence of India Rules
Kollegal Silk Filature Fac-
tory - Compensation after
requisitioning.

Ref:- Your D.O.No.5278 SC/43-
A dated 20th March 1943.

Sericultural Expert has sent the balance sheet of the Company for the year ending 30th June 1942. I do not think the valuation of building and land needs any variation. As regards machinery, some of it is rather old and most of it may not be worth more than the book value. Any way I do not think the entire cost of purchasing the machinery and land with buildings will exceed 1 lakh of rupees.

Yours sincerely,

A. K. Mahalingam

T. Sivasankar Esq., I.C.S.,
Additional Secretary to Government,
Development Department, Madras.



2p 5 - 8 of

Balance sheet

of Kottapal Sulu

Filatures 2nd

V. V. V. V.

Strictly Confidential.

Dev. Dept.

D.O.No.

5276⁸⁴/₄₃

dated 20th March 1943

(Any File)

Sub: War Defence of India Rules
Kolegal Silk Filature Factory
Compensation after requisitioning.

I am to invite your attention to my D.O.

No. 11445-Sc/42-6 dated 3-3-43 Now that the

factory has been requisitioned the question of

determining the compensation that should be paid is

urgent. I am therefore to request you to send the

report called for in my D.O. before 8³³/₄₃ March 1943.

20/3/43

A. Khaleel Esq., I.C.S.,
D.I.&C.

20/3/43

THE FOURTH ANNUAL REPORT
OF
THE KOLLEGAL SILK FILATURES LIMITED

Your Directors beg to present **This Fourth Annual Report** on the working of the Company for the period of 12 months ending 30th June 1942, together with the audited Balance Sheet and Profit and Loss Account.

2. The delay in presenting this report is due to the fact that the account books and other records were in the custody of the local Sub Divisional Magistrate's Court in connection with the prosecution of Messrs. F. L. Silva & Sons Ltd., then Managing Agents of the Company.

3. *Rajasevasaktha* P. Subbarama Chetty and Mr. M. S. Ganesa Aiyer two of the Directors, who retired by rotation during the year were re-elected.

Messrs. Sastri and Shah having expressed their unwillingness to continue as Auditors, Messrs. Sankaran and Raman were elected as the Auditors for the year 1942—43 on a remuneration of Rs. 200.

4. The Company has made a profit of Rs. 9,685-6-5, for the period under Report.

5. The Ex-Managing Agents entered into a contract with the Supply Department, Government of India, for supplying 40,000 lbs. of silk for the manufacture of parachute fabrics for War purposes. 14,387½ lbs. have been supplied so far. There is a dispute in regard to the prices to be given for the silk already supplied and yet to be supplied as the price of cocoons has gone up abnormally high. It is hoped that the Supply Department will pay the difference in Cocoon prices and place the Company on a stable basis.

6. The Managing Agency, having ceased to exist, the Board of Directors have assumed the management and administration of the Company from the 1st of July 1942. The necessary amendments to the Articles of Association will be placed before the share-holders for approval at an Extra-ordinary General Meeting to be held immediately after the adjourned General Body Meeting.

KOLLEGAL, }
15th February 1943. }

T. RAGHAVIAH,
Chairman.

THE KOLLEGAL SILK FILATURES LIMITED, KOLLEGAL

BALANCE SHEET AS AT 30TH JUNE 1942

CAPITAL & LIABILITIES		Rs.	A.	P.	PROPERTY & ASSETS		Rs.	A.	P.	Rs.	A.	P.
AUTHORISED CAPITAL—					LAND (at cost) As per last Balance Sheet							
31,850 Ordinary Shares of Rs. 10/- each	...	3,18,500	0	0	BUILDINGS— (at cost)	...						7,265 10 0
6,500 Deferred Shares of Re. 1/- each	...	6,500	0	0	As per last Balance Sheet	...			32,827	6	10	
					Additions during the year	...			162	3	6	
ISSUED, SUBSCRIBED & PAID-UP CAPITAL—												
5,880 Ordinary Shares of Rs. 10/- each issued as fully paid up to vendors	...	58,800	0	0	Less Depreciation written off	...			32,989	10	4	
11,620 Ordinary Shares of Rs. 10/- each fully paid up	...	1,16,200	0	0					2,804	10	4	
— for cash	...	1,75,000	0	0	PLANT AND MACHINERY (at cost)	...						30,185 0 0
17,500	...	2,120	0	0	As per last Balance Sheet	...			49,507	1	4	
Less 212 shares forfeited		1,72,880	0	0	Additions during the year	...			634	1	1	
17,288					Less Depreciation written off				50,141	2	5	
									7,831	2	5	
DEFERRED SHARES—					TOOLS AND EQUIPMENT (at cost)	...			3,234	13	6	
1,200 Shares of Re. 1/- each issued to vendors	...	1,200	0	0	Less Depreciation written off	...			1,189	13	6	
2,300 Shares of Re. 1/- paid up fully for cash	...	2,300	0	0	SCIENTIFIC INSTRUMENTS (at cost)—	...			750	0	0	
Add Amount paid up on forfeited shares					Less Depreciation written off				300	0	0	
					FURNITURE AND DEADSTOCK—(at cost)	...						450 0 0
					As per last Balance Sheet	...			169	0	0	
					Additions during the year	...			92	5	9	
UNPAID DIVIDENDS—					Less Depreciation written off	...			261	5	9	
									60	5	9	
LIABILITIES—					CARTS, CYCLES, ETC.—(at cost)	...			213	8	0	
For Expenses	...	2,281	10	6	Less Depreciation written off	...			42	8	0	
" Cocoon Purchases	...	3,847	1	0	LIVE STOCK—(at cost)	...						171 0 0
" Other Finance	...	1,843	8	6	STORES ON HAND—	...						172 0 0
" Allowance to Managing Agents for June 1942	...	400	0	0	STOCK—	...						45 0 0
					Silk, Waste & Cocoons: (As valued and certified by the Government Director in charge, at or below market rate)							9,080 11
					SUNDRY DEBTORS:							

partners, and Rs. 90-10-0 doubtful of recovery)	...	...	...	26,182 8 0
ADVANCES & PREPAID EXPENSES—	...	...	...	714 0 10
PRELIMINARY EXPENSES—	...	...	...	4,140 7 1
BROKERAGE & COMMISSION—	...	...	...	1,650 7 1
DUE BY F. L. SILVA & SONS Ltd.—(Managing Agents)...	...	...	...	35,301 0 0
CASH AND OTHER BALANCES—	...	...	...	
Cash on hand	...	130 15 0		
In Current account with Bank	...	11,182 5 6		
FIRST YEAR'S DEFICIT—	...	...		
PROFIT & LOSS ACCOUNT—	...	...		
As per last Balance Sheet	...	19,340 12 11		
Less Profit for the year	...	9,685 6 5		
				1,86,067 12 0

We have examined the Balance Sheet of the Kollegal Silk Filatures, Ltd., above set forth and the annexed Manufacturing and Profit & Loss Account for the period under account and have obtained all the information and explanations we have required. In our opinion such Balance Sheet and Manufacturing and Profit & Loss Account are drawn up in conformity with the Law.

The Managing Agents Messrs. F. L. Silva & Sons, Ltd., resigned on 2-11-1941 and the resignation was accepted by the Board of Directors on the same date. They subsequently withdrew their resignation but it was not accepted by the Board. Again on 11-12-1941, the Directors appointed Messrs. F. L. Silva & Sons Ltd., Managing Agents for one year. The fresh appointment of the Managing Agents should be sanctioned by the Shareholders as required by Sec. 87 B.

The cash on hand is shown as found by the Police Officer on 1-7-1942. There was a big shortage of cash and the same is debited to the Managing Agents' Account. There are other debits to the Managing Agents' account for items which in the opinion of the Company are recoverable from the Managing Agents. A major portion of the amount shown as due by the Managing Agents is since recovered.

In the absence of the Managing Agents who had written the books, we could not get complete information in some cases and had to be satisfied with what information the office was able to give,

Subject to the above remarks, the Balance Sheet exhibits a true and correct view of the state of affairs of the Company according to the best of our information and explanations given to us and as shown by the books of the Company, which, in our opinion, have been kept by the Company as required by Sec. 130 of the Indian Companies Act.

Madras, }
5-2-43.

T. RAGHAVIAH,
Chairman.

M. S. GANESHA IYER,
P. SUBBARAJA CHETTY,
A. APPADURAI PILLAI,
K. T. ACHAYA.

Directors.

SASTRI & SHAH
Incorporated Accountants, Registered Accountants,
Auditors.

186067-12
 8372-4
 177695-8

partners, and Rs. 90-10-0 doubtful of recovery)	...	...	26,182 8 0
ADVANCES & PREPAID EXPENSES—	...	...	714 0 10
PRELIMINARY EXPENSES—	...	...	4,140 7
BROKERAGE & COMMISSION—	...	...	1,650 7 2
DUE BY F. L. SILVA & SONS Ltd.—(Managing Agents)...	...	...	35,301 0 3
CASH AND OTHER BALANCES—	...	...	...
Cash on hand	...	130 15 0	...
In Current account with Bank	...	11,182 5 6	11,313 4 6
FIRST YEAR'S DEFICIT—	...	...	5,235 4 9
PROFIT & LOSS ACCOUNT—	...	...	...
As per last Balance Sheet	...	19,340 12 11	9,685 6 6
Less Profit for the year	...	9,685 6 5	1,86,067 12 0
			1,86,067 12 0

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Madras,
 5-2-'43.

T. RAGHAVIAH
 Chairman.

M. S. GANESA IYER,
 P. SUBBARAYNA CHETTY,
 A. APPADURAI PILLAI,
 K. T. ACHAYA.

Directors.

SASTRI & SHAH
 Incorporated Accountants, Registered Accountants,
 Auditors.

From

The Kollegal Silk Filatures Limited.
KOLLEGAL.

THE KOLLEGAL SILK FILATURES LTD.
KOLLEGAL

NOTICE

Notice is hereby given that the adjourned General Meeting of the share holders of the Kollegal Silk Filatures Ltd., will be held at the Office of the Director of Industries and Commerce, Chepauk, Madras on Sunday the 28th March 1943 at 4-30 p.m. (S. T.) to transact the following business.

To receive and adopt the certified and audited Balance Sheet of the Company as at 30th June 1942 together with the Directors' Report.

By Order of the Board of Directors,
T. RAGHAVIAH,
Chairman.

The transfer books of the Company will be closed from the 21st day of March 1943 to the 28th day of March 1943 both days inclusive.

Indian Press, B. City

THE KOLLEGAL SILK FILATURES Limited, KOLLEGAL		Manufacturing & Profit & Loss Account for the year ended 30th June 1942	
		Rs.	P.
To Opening Stock	1,03,130	8	6
" Cocoons	2,097	12	6
" Fuel	9,216	0	4
" Wages	721	6	11
" Packing & forwarding charges	1,15,166	12	3
Salaries	4,348	6	10
" Allowances to Managing Agents	5,332	4	2
" Directors' fees & T. A.	2,804	4	0
" Travelling Expenses	919	15	3
" Printing & Stationery	131	5	8
" Postage & Telegrams	242	14	0
" Rents, Rates, and Taxes	728	9	9
" Repairs	377	1	3
" Miscellaneous charges including	736	15	1
Audit fees	611	11	0
" Insurance	4,279	4	1
" Depreciation	9,685	6	5
" Net Profit carried forward to Balance Sheet	1,57,991	3	9
By Sales of Silk and Waste	1,49,282	4	9
" Interest	548	10	0
" Transfer fees and other receipts	101	14	0
" Stock on hand—Silk & Waste	8,058	7	0
Rs. A. P.	1,57,991	3	9
Sasri & Shah		Auditors.	
Incorporated Accountants, Registered Accountants.		MADRAS, 5—2—1943.	

DRAFT FOR APPROVAL.

C.F. 16.

Dev. Dept

	Date.	Initials.	SUBJECT:—
When received for fair copying ..			War - D.O.I Rules - Kollegal
When copied ..			Silk Kharas & Kollegal -
When examined ..			Acquisition of properties requis.
When signed ..			Payment of Compensation -
When despatched.			Report called for.

READ AGAIN G.O. No 311 Dev, dated 22/2/43 19 43

" " " " 19

READ ALSO:—

No. 5276 SC/43 From the , No. , dated 19

" " " " 19

" " " " 19

Order Ms. No. 448 (Copy) dated 30-3-19 43
Resolution Reut.

His Excellency the Governor of Madras directs that the movable and immovable properties of the Kollegal Silk Kharas & Kollegal, requisitioned in proceedings No 311 Dev dated 12.3.43 be acquired with Notice, immediately, with the Director immediately. The DICE is requested to serve the Company, including the Chairman of the Board of Directors 2. The DICE is requested to affix a copy thereof in conspicuous part of the Registered Office of the Company. Arrange with the Special Officer Appointed 43 Cl. (R) in G.O. No R 216 PWD dated 21.3.43 to have the Valuation of the properties of the Company completed as early as possible. As soon as the Valuation Report of the Special Officer is received, the DICE is requested to report urgently the exact amount of Compensation that should be paid for the movable properties

giving due regard to the Valuation arrived at
by the Special Officer in respect of the
immovable property (land, buildings etc),
He should make an offer of the amount IV on 13/11/47
of compensation on the basis of the Valuation
report of the Special Officer and report ~~thereon~~
~~Such offer is acceptable to the Company,~~
the results to the Govt

26343
24/3

22/2/47

1.26/3/43

Dependent
working

To the D.I. Sec.

A.G. Thro

Special Officer this

CE. (41)

Vide Revised draft at (A)
Notice under Defence of India Rule 75(2)

Where as the opinion of the
Government of Madras it is necessary for
the efficient prosecution of the war to
acquire the movable and immovable properties
of the Kollegal Silk Glaziers & Co which have
already been requisitioned under subrule (1)
of Rule 75 of the Defence of India rules:

Vide p 31 of (A)

R on p 4 n.f.
(seeul vers)

M on p 4 n.f.

Now, therefore, in exercise of the powers
conferred by subrule (2) of the said rule,
the Govt of Madras hereby give notice that
the said movable and immovable properties
have been acquired in pursuance of the
said rule.

P. 29/3/43

PTO

29.3.43

Revised Draft.

LEGAL DEPARTMENT.

(2)

Leg (A)

TO be filled in
by Dept
all

P (R)

WHEREAS by G.O.No. 311 Development dated the 12th March 1943
the properties of the Kollegal Silk Filatures Ltd. specified
in the Schedule hereto annexed have been requisitioned by the
Government of Madras;

NOW, THEREFORE, in pursuance of sub-rule (2) of rule 75-A
of the Defence of India Rules notice is hereby given that
the Government of Madras have decided to acquire the said
properties in pursuance of the said rule.

SCHEDULE.

(Here enter the properties from page 31 of
G.O.No.311 Development dated 12-3-1943.)

TR₁₁
30.243

30/3/43

Received 1942. ABSTRACT Registered 1942.

----- H-R-AC py-G-C-Ho.....Development-Info

read the following:
; sarbat Goot Not 357 Finance, d/9-2-42.
F. 1(24) R. I/41
from The Government of India, Finance Department, No. R. 441, d/6-3-42.

in partial modification of the instructions in para 2 of their letter No. Fl(24) R.I/41, dated 27-11-1941, the Government of India have now informed Provincial Governments that the Crown Representative need be consulted beforehand only in the case of officers belonging to the "provincial and India Services" on their transfer to foreign foreign Service in Indian States and that such consultation is not necessary in the case of a member of a subordinate service.

/By order of His Excellency the Governor/

The Accountant General.
" Board of Revenue.
" Revenue Department.
" Other departments of the Secretariat.

True copy
Forwarded
By order

W. G. W. and Mrs. G. W.
Superintendent.

Government of Madras.
Development Department.

ORDERED by G.O.No.311 Development dated the 12th March 1943 the properties of the Kollegal Milk Filatures Limited specified in the schedule hereto annexed have been requisitioned by the Government of Madras;

FOR, THE GOVERNMENT, in pursuance of sub-rule (2) of rule 71-A of the Defence of India Rules notice is hereby given that the Government of Madras have decided to acquire the said properties in pursuance of the said rule.

SCHEDULE.

Immovable properties.

Lands specified below to, other with the building thereon:-

District.	Taluk and Pirka.	Village.	Field Survey Numbers.	Extent.
Coimbatore	Kollegal	Madigundam	91A	0.70 acres
"	"	"	92	4.53 "
"	"	"	93	0.25 "
"	"	"	913A	1.31 "
"	"	"	2132	1.51 "
"	"	"	215	1.97 "
"	"	"	226	1.78 "

Movable properties.

150 Milk reeling basins and connected machinery.
 1 Steam boilers.
 1 Steam engine
 2 Reeling chambers.
 1 Bundling Press.
 2 Pumps.
 1 Safe.
 1 Star.
 Workshop tools.
 Furniture.
 Scientific instruments.
 Milk Examination stands.
 Carts.
 Cycles.
 One pair of bullocks.
 Three water carrying drums, and all stock of raw materials possessed by the Company for the manufacture of silk.

Additional Secretary to Government.

P. G-30,3,43.

AS
30/3

NOTES

Sub. War- Defence of India Rules- Kollegal Silk Filatures
Compensation after requisitioning

C
 A/43 p 1 CF
 p 3 CF

Issued as D.O. no. 5276 ^{SC} 743-1 d 20.3.43
 From the D.I.C no. 2160 D 142 d 22.3.43

To U.S.

Order 1234
 No 34 (R)
 1234

Para 1
 p 17 NP
 do

Para 3
 p 30 CF
 do
 A p 17 NP do

Para 3
 p 49 Ad. S.
 No 17-18
 NP do

The movable and immovable properties belonging to the Kollegal Silk Filatures Ltd., Kollegal, have been requisitioned under the D.I. Rules. Mr. Peychand has been placed in charge of the production and administrative side of the factory. Orders have been issued for employment of staff required and for the funds required to meet the working expenses of the factory. A-2 has ordered that the question of acquiring the factory should be examined urgently. If the factory is to be acquired, the compensation that should be paid has to be determined by the Govt. In case of movable property, the owner is entitled to be paid such compensation as the Govt. may determine. In the case of immovable property, the amount of compensation has to be fixed by agreement; and where an agreement can not be reached, by appointing an arbitrator as provided for in Sec 19 (1) (b) of the D.I. Act. The D.I.C reports that the entire cost of purchasing the movable and immovable properties requisitioned by the Govt will not exceed 1 lakh rupees. For orders whether compensation be paid or not, whether the factory may be acquired and whether compensation be paid upto Rs 1 lakh. The remarks of the Govt may be invited.

2343

2343 Ad. Sec

Attention is drawn to the above

It is open to the Government to acquire the property requisitioned under sub-rule (1) of rule 75-A of the Defence of India Rules. There are two reasons why Government should

proceed to acquire the factory: first, ~~it is necessary to effect~~ ^{it} ~~improvements on a large scale~~ ^{will have to be effected} to ensure maximum factory efficiency and it will not be open to Govt. to recover any part of the costs ^{incurred by them} ~~incurred~~ ^{from} if they hand over the factory to the original owners at some future date; secondly as a business proposition it is very attractive. A profit of Rs.97,200/- per annum is anticipated, not taking into account the interest to be paid on working capital. ^{SECRET.} **23 MAR 1948** **OFFICE DEPARTMENT** Even if the D.I. & Co's figure of a lakh of rupees for the machinery and buildings is an under-estimate, the return on capital anticipated is so large that it would be worthwhile for the Govt. to pay even double or treble that amount to acquire the factory. A Special Officer has already been deputed to value the machinery and buildings. We may agree at once to acquisition. The amount to be paid as compensation may be determined on receipt of the Special Officer's report.

To Under Secretary

With ref to the orders in circulation on p 3 above a draft order is submitted for approval. It may be sent to the Dir. Dept for perusal before issue.

It is also for consideration whether legal may be requested to advise if an order under the D.O. rules, as was issued for requisitioning, will be necessary for acquisition also.

DO
31.3.43

Legal
2.12.43

Legal Department. No. 5276 S-43-1
26.3.43

Any property requisitioned by the Government under sub-rule (1) of Rule 75A (1) of the Defence of India Rules may be acquired by them by serving on the owner thereof or where the owner is not readily traceable or the ownership is in dispute, by publishing in the Gazette, a notice stating that the Government have decided to acquire it in pursuance of Rule 75A (2). An order as at page 31 of G.O.No.311, Development, dated the 12th March 1943 is not necessary for acquiring the properties referred to in this case. All that is required is the service or publication of a notice specifying Government's intention to acquire the properties in pursuance of Rule 75A (2).

ASSISTANT SECRETARY
27 MAR 1943
2-P.M.
LEGAL DEPARTMENT

R

(R)

Jni
DW

K.A. 28/3/43

See
28/3/43

Legal no. 1997C-1
28/3/43

For Depn

The draft may be accepted.
28.3.43

28.3.43

Dist.

Ad. S.
22/3/43

To Addl Secretary

UNDER SECRETARY
28 MAR 1943
DEVELOPMENT DEPARTMENT

Please see notes of the Legal Dept above

With reference to M on p 4 above a draft notice is submitted for approval. Alterations (consequential ^{to} the issue of the notice) to paragraph 1 of the draft order below are also for approval

The case may be sent to legal for
Sinking of the draft notice

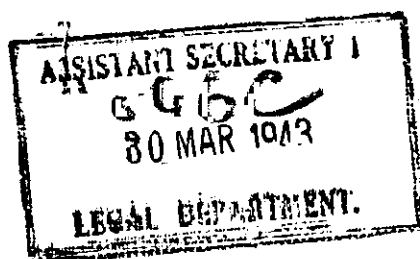
on
7.3.43

Legal 29/3/43

LEGAL DEPARTMENT.

Order no. 527684/43-4
of 3.43

The reference in the draft notice to rule 75 of the Defence of India Rules is apparently a mistake for rule 75A of those rules. A revised draft is put up at flag (A).



TR 91

30.3.43

Recd
30/3/43

Dev

Dev. Dept

Legal 4-02046C-1



To Addl Secy.

The revised draft notice put up by
Legal at flag (A) may be adopted. For orders
6128 wherein the draft order below may issue now.

1000
30.3.43

8.30/3/43

Issued as P.O. No 448 (Conf) d 30.3.43

Chin
20/3